

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, JANUARY 13, 2022

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APPLICATION OF

WASHINGTON GAS LIGHT COMPANY

CASE NO. PUR-2021-00288

For authority to amend its natural  
gas conservation and ratemaking  
efficiency plan

ORDER FOR NOTICE AND COMMENT

On December 17, 2021, pursuant to Chapter 25 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> and 5 VAC 5-20-80 of the Rules of Practice and Procedure ("Rules of Practice")<sup>2</sup> of the State Corporation Commission ("Commission"), Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") for authority to amend and extend its natural gas conservation and ratemaking efficiency ("CARE") plan ("Amended CARE Plan").<sup>3</sup>

In its Application, the Company proposes to continue and expand its portfolio of programs for residential customers served under Rate Schedule Nos. 1 and 1A of the Company's tariff.<sup>4</sup> The Amended CARE Plan also includes new programs for residential customers and a new program for eligible Commercial and Industrial ("C&I") and Group Metered Apartment ("GMA") customers receiving service under Rate Schedule Nos. 2, 2A, 3 and 3A.<sup>5</sup> WGL also

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<sup>1</sup> Code § 56-600 *et seq.*

<sup>2</sup> 5 VAC 5-20-10 *et seq.*

<sup>3</sup> The Commission approved the Company's current CARE Plan in 2019. *See Application of Washington Gas Light Company, For approval of an amendment to its natural gas conservation and ratemaking efficiency plan*, Case No. PUR-2018-00193, 2019 S.C.C. Ann. Rept. 321, Final Order (Apr. 30, 2019).

<sup>4</sup> Application at 2, 4; Direct Testimony of Josh McClelland at 3 and Exhibit JEM-1.

<sup>5</sup> Application at 2, 4; Direct Testimony of Josh McClelland at 3, 10, and Exhibit JEM-1.

proposes to increase funding to provide energy saving measures to more income-qualified customers.<sup>6</sup>

According to the Company, the proposed Amended CARE Plan includes a portfolio of cost effective conservation and energy efficiency initiatives that consist of the following: (i) a new Residential Equipment Program; (ii) a new Residential New Construction Program; (iii) expansion of the previously approved web-based Home Energy Audit with Residential Energy Conservation Kits; (iv) expansion of the previously approved Low-Income Weatherization Program (which is now referred to as the Income-Qualified Program); (v) expansion of the previously approved Residential Behavioral Program; and (vi) a new Commercial Gas Equipment Incentives Program.<sup>7</sup>

In its Application, the Company proposes a total budget of \$12,100,000<sup>8</sup> for its Amended CARE Plan for a three-year period from May 1, 2022, to April 30, 2025.<sup>9</sup> The Company states that the incremental costs associated with the Amended CARE Plan's proposed conservation and energy efficiency programs will be recovered monthly through a CARE Cost Adjustment ("CCA") applied to customers' bills.<sup>10</sup> WGL also proposes to implement a decoupling mechanism, called the CARE Ratemaking Adjustment ("CRA").<sup>11</sup>

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<sup>6</sup> Application at 2; Direct Testimony of Josh McClelland at 12.

<sup>7</sup> Application at 3-4; Direct Testimony of Josh McClelland at 3-4. A description of each initiative may be found in the Direct Testimony of Jim Herndon at 5-11 and in the Direct Testimony of Josh McClelland at 6-10.

<sup>8</sup> Application at 2, 3; Direct Testimony of Josh McClelland at 10. The Company states that, of the total \$12,100,000 budget, approximately 54% is targeted for residential programs, and 9% for commercial programs, while 37% will be allocated for income-qualified programs. Application at 3; *see also* Direct Testimony of Josh McClelland at 12.

<sup>9</sup> Application at 2; Direct Testimony of Josh McClelland at 3.

<sup>10</sup> Application at 2; Direct Testimony of Josh McClelland at 6; Direct Testimony of R. Andrew Lawson at 2.

<sup>11</sup> Application at 2; Direct Testimony of Josh McClelland at 5; Direct Testimony of R. Andrew Lawson at 2-3.

According to the Company, both the CCA and the CRA will be calculated and implemented using methodology previously approved by the Commission.<sup>12</sup> The Company explains that the CRA is a billing adjustment factor computed on a monthly basis that creates a credit or charge to the monthly distribution charge of firm customers and adjusts the monthly distribution charge to account for the difference between actual revenues received each month compared to a target revenue level.<sup>13</sup>

As for the CCA, based on the Company's proposed expenditures, the Company's projections for the CCA for Virginia customers in the first year of the Amended CARE Plan are as follows: (i) \$6.24 (an increase of \$3.70 from the CCA currently being paid) for a typical residential customer using 746 therms per year; (ii) \$19.94 for a typical small C&I heating customer using 5,720 therms per year; and (iii) \$59.27 for a typical small GMA heating customer using 17,005 therms per year.<sup>14</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; WGL should provide public notice of its Application; interested persons should have an opportunity to file comments on the Application, file a notice of participation as a respondent, or request that a hearing be convened; the Commission's Staff ("Staff") should be directed to investigate the Application and present its findings and recommendations in a report ("Staff Report"); and a Hearing Examiner should be assigned to rule on any discovery matters that arise during the course of this proceeding.

<sup>12</sup> Application at 8. *See also* Direct Testimony of R. Andrew Lawson at 2.

<sup>13</sup> Application at 10-11; Direct Testimony of R. Andrew Lawson at 4.

<sup>14</sup> Application at 12; Direct Testimony of R. Andrew Lawson at Exhibit RAL-3.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>15</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the Application, if approved, would result in an increase to customer bills. We realize that the ongoing COVID-19 public health issues have caused devastating economic effects that impact utility customers. We have responded to this economic emergency by, among other actions, directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnection. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2021-00288.

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<sup>15</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK.-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK.-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.<sup>16</sup>

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, all parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or Staff is impeded from preparing its case.

(4) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(5) On or before January 27, 2022, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

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<sup>16</sup> As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

NOTICE TO THE PUBLIC OF AN APPLICATION  
 BY WASHINGTON GAS LIGHT COMPANY,  
 FOR AUTHORITY TO AMEND ITS NATURAL GAS  
 CONSERVATION AND RATEMAKING EFFICIENCY PLAN  
CASE NO. PUR-2021-00288

On December 17, 2021, pursuant to Chapter 25 of Title 56 of the Code of Virginia, § 56-600 *et seq.*, and 5 VAC 5 20-80 of the Rules of Practice and Procedure ("Rules of Practice") of the State Corporation Commission ("Commission"), Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") for authority to amend and extend its natural gas conservation and ratemaking efficiency ("CARE") plan ("Amended CARE Plan").

In its Application, the Company proposes to continue and expand its portfolio of programs for residential customers served under Rate Schedule Nos. 1 and 1A of the Company's tariff. The Amended CARE Plan also includes new programs for residential customers and a new program for eligible Commercial and Industrial ("C&I") and Group Metered Apartment ("GMA") customers receiving service under Rate Schedule Nos. 2, 2A, 3 and 3A. WGL also proposes to increase funding to provide energy saving measures to more income-qualified customers.

According to the Company, the proposed Amended CARE Plan includes a portfolio of cost effective conservation and energy efficiency initiatives that consist of the following: (i) a new Residential Equipment Program; (ii) a new Residential New Construction Program; (iii) expansion of the previously approved web-based Home Energy Audit with Residential Energy Conservation Kits; (iv) expansion of the previously approved Low-Income Weatherization Program (which is now referred to as the Income-Qualified Program); (v) expansion of the previously approved Residential Behavioral Program; and (vi) a new Commercial Gas Equipment Incentives Program.

In its Application, the Company proposes a total budget of \$12,100,000, for its Amended CARE Plan for a three-year period from May 1, 2022, to April 30, 2025. The Company states that the incremental costs associated with the Amended CARE Plan's conservation and energy efficiency programs will be recovered monthly through a CARE Cost Adjustment ("CCA") applied to customers' bills. WGL also proposes to implement a decoupling mechanism, called the CARE Ratemaking Adjustment ("CRA").

According to the Company, both the CCA and the CRA will be calculated and implemented using methodology previously approved by the Commission. The Company explains that the CRA is a billing adjustment factor computed on a monthly basis that creates a credit or charge to the monthly distribution charge of firm customers and adjusts the monthly distribution charge to account for the difference between actual revenues received each month compared to a target revenue level.

As for the CCA, based on the Company's proposed expenditures, the Company's projections for the CCA for Virginia customers in the first year of the Amended CARE Plan are as follows: (i) \$6.24 (an increase of \$3.70 from the CCA currently being paid) for a typical residential customer using 746 therms per year; (ii) \$19.94 for a typical small C&I heating customer using 5,720 therms per year; and (iii) \$59.27 for a typical small GMA heating customer using 17,005 therms per year.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Application and supporting documents for further details of the Company's proposals. TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provides interested persons an opportunity to comment on the Company's Application.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Application may be viewed on the Commission's website or obtained, at no charge, by submitting a written request to counsel for the Company: Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Avenue, S.W., Washington, D.C. 20024, [MAhamed@washgas.com](mailto:MAhamed@washgas.com).

On or before March 11, 2022, any interested person or entity may submit comments on WGL's Application with the Clerk of the Commission by following the instructions on the Commission's website:

[scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2021-00288.

On or before February 10, 2022, any interested person or entity may participate as a respondent in this proceeding by filing a notice of participation with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00288. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.



On or before February 10, 2022, any interested person or entity may file, with the Clerk of the Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/), a request that the Commission convene a hearing on WGL's Application. Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Such request for hearing shall include the email address of the filer or its counsel if available, and shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2021-00288.

A copy of any notice of participation or any request for hearing simultaneously shall be sent to counsel for the Company electronically at the email address set forth above.

The Company's Application and other documents filed in this case, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

#### WASHINGTON GAS LIGHT COMPANY

(6) On or before January 27, 2022, WGL shall serve a copy of its Application and this Order for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which WGL provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city or town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(7) On or before February 24, 2022, WGL shall file proof of the notice and service required by Ordering Paragraph (5) and (6) above, including the name, title, address, and

electronic mail address (if applicable) of each official served, with the Clerk of the Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(8) On or before March 11, 2022, any interested person or entity may submit comments on WGL's Application with the Clerk of the Commission by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2021-00288.

(9) On or before February 10, 2022, any interested person or entity may participate as a respondent in this proceeding by filing a notice of participation with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00288.

(10) On or before February 10, 2022, any interested person or entity may file, with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/), a request that the Commission convene a hearing on the Company's Application. Those unable, as a practical matter, to file a

request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Such request for hearing shall include the email address of the filer or its counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2021-00288.

(11) A copy of any request for hearing or any notice of participation simultaneously shall be sent to counsel for the Company, Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Avenue, S.W., Washington, D.C. 20024, [MAhamed@washgas.com](mailto:MAhamed@washgas.com).

(12) On or before February 15, 2022, WGL shall file with the Clerk of the Commission a response to any request for hearing filed in this docket.

(13) Staff shall investigate the Application. On or before March 18, 2022, Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations, and Staff promptly shall serve a copy of the same on counsel to the Company and all respondents.

(14) On or before April 1, 2022, WGL may file with the Clerk of the Commission any response to the Staff Report and any comments filed in this proceeding.

(15) All documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

(16) The Company shall respond to written interrogatories or requests for the production of documents within five (5) business days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to Staff.<sup>17</sup> Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice.

(17) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to: Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Avenue, SW, Washington, D.C. 20024, [MAhamed@washgas.com](mailto:MAhamed@washgas.com); and C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219-3424, [MBrowder@oag.state.va.us](mailto:MBrowder@oag.state.va.us). A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

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<sup>17</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2021-00288, in the appropriate box.